

INDEPENDENT AUDITORS REPORT

To,

The Board of Directors,
10i Commerce Services Private Limited,
Bangalore.

Sub: Report on Compliance with guidelines issued under Press Note 2/2018("PN 2") by Department of Industrial Policy and Promotion ("DIPP")

1. This Report is issued in accordance with the terms of our engagement letter dated April 25, 2019 with 10i Commerce Services Private Limited (the "Company" or "Marketplace Entity").
2. Press Note 2 issued on December 26, 2018 read with clarification regarding PN 2 issued on January 4, 2019 ("DIPP Clarification") by DIPP of the Ministry of Commerce and Industry, Government of India, amends the policy regarding foreign direct investment in entities engaged in the marketplace of ecommerce as set out in paragraph 5.2.15.2 of the Consolidated FDI Policy of the Government of India, issued by DIPP, Ministry of Commerce and Industry on August 28, 2017 ("FDI policy"). Such amendments have come into force and in effect from February 01, 2019.
3. The report is issued on accompanying statement of compliance with the guidelines issued under Press Note No. 2 referred above on Foreign Direct Investment in e-Commerce for the period February 01, 2019 to March 31, 2019 (hereinafter referred together as "the Statement").

Management's Responsibility for the Statement

4. The Board of Directors of the Company are responsible for ensuring the compliance with the requirements of the terms contained in Press Note No. 2 (2018 Series) dated December 26, 2018 issued by the DIPP on Foreign Direct Investment in the Company. This responsibility of the Management also includes the design, implementation and maintenance of internal control relevant to ensure compliance with said guidelines and maintenance of records supporting the Company's compliance with PN 2 for the compliance period of February 01, 2019 to March 31, 2019.

Independent Auditor's Responsibility

5. We have carried out our engagement in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India ("ICAI") as well as other applicable pronouncements of the ICAI. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India. The Board of Directors are responsible for ensuring compliance with PN 2 and DIPP clarification during compliance period. The Board of Directors are also responsible for maintenance of records supporting the Company's Compliance.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information and Other Assurance and Related Services Engagements.



Opinion

7. As per the information and explanations given to us by the Company and based on our examination of the books of account and records as well as the legal memos obtained by the company, we are of the opinion that as per the attached Statement of Compliance, the Company has complied with the guidelines issued under Press Note 2 (2018 series) in respect of the marketplace transactions undertaken by the Company during the period February 01, 2019 to March 31, 2019.

Restriction on Use

8. The report is addressed to and provided to the Board of Directors of the Company solely for the purpose to enable the Company to comply with the requirements of PN 2 to furnish to the Reserve Bank of India and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For VARMA & VARMA
Chartered Accountants
FRN 004532S



Place: Bangalore
Date: September 28, 2019

Srinivas K.P.
K P SRINIVAS
Partner
M. No.208520

UDIN: 19208520AAAAGP7677